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UNITED STATES PATENT AND TRADEMARK OFFICE

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GROUP 3600

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Application Number: 09/476,935
Filing Date: December 30, 1999
Appellant(s): WESTON ET AL.

Frank J. DeRosa
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed April 17, 2006 appealing from the Office action

mailed April 7, 2005.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

5,787,402	Potter et al	07-1998
5,924,083	Silverman et al	07-1999
6,014,644	Erickson	01-2000

Cooke, Stephanie, "Will Brokers Go Broke?", Euromoney, May, 1996, Item 7 of August 17,

2001 IDS.

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

> (a) A patent *May* not be obtained though the invention is not identically disclosed or
> described as set forth in section 102 of this title, if the differences between the subject
> matter sought to be patented and the prior art are such that the subject matter as a whole
> would have been obvious at the time the invention was made to a person having ordinary
> skill in the art to which said subject matter pertains. Patentability shall not be negatived
> by the manner in which the invention was made.

Claims 1, 7, 11, 21, 24 and 26 are rejected under 35 U.S.C. 103(a) as being unpatentable

over US 5,787,402 *Potter et al* in view of US 5,924,083 *Silverman*, already of record

Concerning Claim 1, *Potter et al* disclose the invention substantially as claimed,

including:

In a system for conducting electronic trading of foreign exchange forwards (col. 9, lines

1-52; fig. 5, element 319; fig. 8);

a central server for tracking currency trades (col. 4, line 62 to col. 5, line 2; fig. 1,

element 100);

a plurality of trading workstations (col. 3, lines 13-63; fig. 1, ele.10);

at least one remote server interfacing the trading workstations to the central server,

wherein the at least one remote server mediates the currency trades between traders using

the workstations by consulting pre-set trading configurations associated with each trader
(col. 5, lines 38-41; fig. 2, ele. 124; col. 10, lines 24-40).

Potter et al do not specifically disclose trading configurations settable by a first
trader with respect to another trader and when set automatically expiring after a
predetermined time period. Silverman discloses receiving trading configurations from
traders using respective work stations including receiving from a first trader at least one
restriction settable by a first trader with respect to at least one trader (Col. 4, line 57 to
Col. 5, line 37) and when set automatically expiring after a predetermined time period (a
time period during which a trader has insufficient credit to deal with a first trader
expiring when his/her credit increases to a sufficient amount to trade with a previously
blocked trader, Col. 6, lines 11-26). It would have been obvious to one of ordinary skill
in the art at the time of the invention to modify Potter with the expiration of restriction
when a trader regains sufficient credit to meet another's criteria disclosed by Silverman to
maintain up-to-date, broadest market display.

The Examiner notes that the period of time after which a restriction expires in
Silverman is at least as specifically predetermined as that of Applicant's invention, the
Specification of which states that the predetermined period can be "until the end of the
business day"; see page 31 of Applicants' Specification.

Concerning Claim 7, see the discussion of Claim 1 above and Silverman further
discloses filter settings corresponding to a filter criterion (a credit limit) which includes
temporary restriction (restriction/blocking until sufficient credit becomes available to trade

again), which restriction is used to block trades from the view of other traders, at Col. 4, line 49

to Col. 6, line 46. It would have been obvious to one of ordinary skill in the art at the time of the

invention to have included filtering for temporary restriction on a trader as taught by *Silverman*

in a combination with the invention disclosed by *Potter et al* because this would have provided

traders with information relevant to their trading efforts while excluding information display

from credit-ineligible counter parties.

As to Claim 11, *Potter et al* disclose the invention substantially as claimed,

including:

In a method for conducting electronic trading of foreign exchange forwards (col. 9, lines

1-52; fig. 5, element 319; fig. 8);

receiving currency trades for foreign exchange forwards using a plurality of trading

workstations for (col. 3, lines 13-63; fig. 1, ele.10);

tracking currency trades in a central server for (col. 4, line 62 to col. 5, line 2; fig. 1,

element 100);

mediating the currency trades between traders using at least one remote server interfacing

the trading workstations of respective traders to the central server, wherein the at least

one remote server consults pre-set trading configurations associated with each trader (col.

5, lines 38-41; fig. 2, ele. 124; col. 10, lines 24-40).

Potter et al do not specifically disclose the newly claimed limitations of receiving

trading configurations from traders using respective work stations including receiving

from a first trader at least one restriction settable by a first trader with respect to at least

one trader and when set automatically expiring after a predetermined time period. or

temporary blocking based on restriction. *Silverman* discloses receiving trading

configurations from traders using respective work stations including receiving from a

first trader at least one restriction settable by a first trader with respect to at least one

trader (Col. 4, lien 57 to Col. Col. 5, line 37) and when set automatically expiring after a

predetermined time period (a time period during which a trader has insufficient credit to

deal with a first trader expiring when his/her credit increases to a sufficient amount to

trade with a previously blocked trader, Col. Col. 6, lines 11-26). *Silverman* further

discloses temporarily blocking and restricting from view trading information from traders

under temporary restriction as the keystation display which shows varying orders

depending on updated credit information (Col. 5, line 48 to Col. 6, line 26). It would

have been obvious to one of ordinary skill in the art at the time of the invention to modify

Potter et al with the restriction/blocking features of *Silverman* because this would have

spared traders from dealing with other traders who were over-extended or credit risks.

Expiration of restriction and unblocking when a trader regains sufficient credit to meet

another's criteria would be obvious to maintain an up-to-date, broadest market display.

As to Claim 21, see the discussion of Claims 1, 7 and 11 above.

Concerning Claim 24, see the discussion of Claims 1, 7 and 11 above.

Concerning Claim 26, see the discussions of Claims 1, 7 and 9 above.

Claim 25 is rejected under 35 U.S.C. 103(a) as being unpatentable over US 5,787,402

Potter et al in view of US 5,924,083 *Silverman* and further in view of US 6,014,644 *Erickson*.

Regarding Claim 25, *Potter et al* discloses the invention substantially as claimed. See

the discussion of Claims 1 and 11 above. *Potter* does not specifically disclose in a remote server

a database listing a set of other traders from which a trader *May* select a subset to whom he or

she conveys a request-for-quote (RFQ) transmission. *Erickson* discloses a database in a remote

server at Fig. 3A, elements 44 and 60 and the selection of other traders from that database for

RFQs at Abstract; col. 3, lines 13-51; col. 8, lines 28-38; col. 10, lines 32-40; col. 14, lines 41-55

and col. 16, lines 34-42. It would have been obvious to one of ordinary skill in the art at the time

of the invention to have included the trader database in a remote server usable to select a subset

of traders for conveyance of an RFQ as disclosed by *Erickson* in combination with *Potter et al*

because this would have allowed a trader to direct requests-for-quotes to those other traders

deemed mostly likely to successfully complete trades.

Claims 9-10 and 19 are rejected under 35 U.S.C. 103(a) as being unpatentable over US

5,787,402 *Potter et al* in view of US 5,924,083 *Silverman* and further in view of *Cooke*.

Regarding Claims 9 and 19, *Potter et al* discloses the invention substantially as

claimed. See the discussion of Claims 1 and 11 above. Further, *Potter et al* disclose the use of

telephones providing voice-based trading functionality at col. 2, lines 17-58, although they

emphasize the electronic trading aspect of their invention. *Cooke*, however, discloses this voice-

based trading functionality at page 4, fourth full paragraph and discloses its desirability. It

would have been obvious to one of ordinary skill in the art at the time of the invention to have

included the telephone-based trading functionality disclosed by *Cooke* in combination with

Potter et al because, as specifically stated by *Cooke*:

> The old world of voice brokering is rapidly being transformed rather than disappearing.
> Even in spot forex, where electronic brokers offer direct competition, it is doubtful that voice
> brokers will entirely disappear. For one thing, the electronic brokers don't want them to. Voice
> brokers add flexibility, thus contributing to liquidity. And although the banks themselves
> participate in EBS, it is not in the interest of their dealers to have the market dominated by one
> system.

As to Claim 10, see the discussion of Claims 7 and 9 above. *Potter et al* do not show a

plurality of trading workstations, groups and remote servers, although as noted in the treatment

of the claims above these elements are disclosed. It would have been obvious to one of ordinary

skill in the art at the time of the invention to provide pluralities of functional elements in a

system for the electronic trading of currency exchange forwards since it has been held that

duplicating a part for a multiple effect is obvious. *In re Harza*, 274 F.2d 669, 671, 124 USPQ

378, 380 (CCPA 1960).

(10) Response to Argument

Appellants begin argument at page 8, asserting that *Silverman* does not disclose a

temporary restriction settable by a first trader with respect to at least one trader and when set

automatically expiring at or after a predetermined time or time period". This is Appellants'

fundamental argument and is presented through page 12 relating to all claims. Appellants read

Silverman too narrowly and selectively. This will be made clear in the discussion below.

By way of explanation, the Examiner interprets the wax and wane of temporary credit

limits among traders in *Silverman* as temporary restrictions among traders, which expire at a

predetermined time, that predetermined time being that time at which a trader (trading entity)

recovers sufficient counter-party credit to again trade with a counter-party. See the Examiner's

comments on this topic in the rejection of Claim 1, reproduced above. In *Silverman*, a trader is

prohibited from trading with another party when the party imposes a credit limit on the trader

and the trader's available credit is less than the credit limit. Such trade prohibition begins and

ends with transactions among parties in the market. See *Silverman* at Col. 2, line 64 to Col. 3,

line 7, which discloses:

> *In the system according to the present invention, the depth of the keystation book may be dynamically changed by the host or by the trading entity viewing the market. For example, the host may detect limitations in network bandwidth and therefore provide less information to the keystations for a period of time until more bandwidth is available. Also, the trading entity may choose what book depth he or she wishes to view. The trader's display is also continuously updated as new information, for example, bids, offers, or credit limits, are entered into the system and as credit limits change due to transactions between parties.*

At third paragraph, page 9, Appellants comment on *Silverman*, but do not recognize the

completeness of its disclosure. Appellants assert that credit limit values are not set temporarily

by a trading entity (trader), but are selected at, for example, the start of a trading day, suggesting

rigidity of the limits. This is shown to be incorrect by cites from *Silverman*, as below:

At Col. 4, line 57-64, *Silverman* discloses dynamic credit limit restrictions as:

> *The host 101 also maintains all credit information from each trading entity. Prior to and/or during trading activities, each trading entity enters credit information into the trading entity's respective KS. The credit information entered by each trading entity includes an amount of credit that the trading entity is willing to extend to other individual trading entities and groups of trading entities on the system for one or more types of trading instruments.*

And at Col. 5, lines 6-8:

Trading entity	A	B	C	D
A	--	2 M	10 M	--
B	20 M	--	3 M	5 M
C	5 M	15 M	--	20 M
D	1 M	--	3 M	--

*In the credit table shown above, trading entities A, B and C have entered credit information for the other three respective trading entities, indicating the total amount of credit each trading entity is willing to extend to the three other trading entities. **Trading entities may modify these credit limits at any time before or during trading activities.***

Note that in the quotation above, *Silverman* discloses that the limits can be modified at any time during trading. Note also that trader A has, at the current time, restricted trade with trader D by providing no credit to trader D. See also the restriction of trading of trader D on trader B.

Appellants' statement that limits are also automatically changed provides a segue to discuss the temporary nature of the trading restrictions imposed by the traders of *Silverman*. At page 9, last paragraph to page 10, Appellants again argue rigidity of *Silverman* by stating that *Silverman* does not disclose automatic expiration of a restriction at a predetermined time. A broad reading of this language is that the predetermined time is the time at which a party recovers sufficient credit to trade with counter-party; dynamic credit limits are implicit in this reading.

Such dynamic credit limits are indeed disclosed by *Silverman*, as at Col. 3, lines 4-7:

The trader's display is also underlined continuously updated as new information, for example, bids, offers, or underlined credit limits, are entered into the system and as credit limits change due to transactions between parties.

Thus, at such a time as a trader's available credit exceeds a limit due to dynamic transactions, restriction against trade with a particular counter-party expires.

At page 10, second, full paragraph to end page 10, Appellants argue aspects of the invention from the Specification; these are not recited in the Claims and therefore cannot be given much weight when the Claims are view in light of *Silverman* and *Potter*.

Appellants' argument regarding other Claims at pages 11-12 mirror those addressed above; the Examiner responds with argument similar to those above..

For the above reasons, it is believed that the rejections should be sustained.
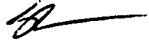
Respectfully submitted,

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